

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1622

SPONSOR: Education Committee, Committee on Military and Veterans' Affairs, Base Protection, and Spaceports, Senator Fasano, and others

SUBJECT: Military Families

DATE: March 10, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Favorable</u>
2.	<u>Woodruff</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>CM</u>	_____
4.	_____	_____	<u>HC</u>	_____
5.	_____	_____	<u>CP</u>	_____
6.	_____	_____	<u>ATD</u>	_____

I. Summary:

This Committee Substitute addresses a number of quality of life issues impacting Florida's military families. The Committee Substitute incorporates the recommendations contained in Interim Project Report 2004-153: *Programs to Assist and Support Florida's Military Families*. Most significantly, the Committee Substitute implements the following provisions:

- Clarifies eligibility requirements for certain military-dependent scholarships;
- Streamlines nurse licensing requirements for certain applicants who are relocating to Florida pursuant to their military-connected spouse's official orders;
- Revises eligibility criteria for the McKay Scholarships Program for military dependents who relocate to Florida pursuant to their parent's military orders and clarifies the personnel responsible for development of a matrix of services for those dependents;
- Directs the Department of Education to facilitate the development and implementation of memoranda of agreement between school districts and military installations;
- Exempts military dependents transitioning to Florida schools during the 12th grade from the requirement to pass the grade 10 FCAT, provided the student has attained a passing score on an approved alternative assessment;
- Directs Workforce Florida, Inc., to develop and implement through selected One-Stop Career Centers an employment assistance/advocacy program targeting military spouses; and
- Requires the Florida Housing Finance Corporation to conduct an assessment of the housing needs of Florida's military families.

In addition to providing assistance to a substantial segment of Florida's population, implementation of these measures would demonstrate to the military services and the 2005 Base

Realignment and Closure Commission the state's continuing commitment to military personnel and installations.

This Committee Substitute substantially amends the following sections of the Florida Statutes: 295.01, 445.007, 464.009, 464.022, 1002.39, 1003.05, and 1009.21. The Committee Substitute creates section 1008.221, Florida Statutes. The Committee Substitute creates unnumbered sections of the Florida Statutes.

II. Present Situation:

Military service often carries a high price for both the servicemember and his or her family. Frequent deployments, long separations, recurring relocations, inconsistent housing, and transient spousal employment are just a few of the unique hardships consistently faced by the families of those in uniform. Whether relocating to other cities or countries, experiencing separations when military personnel deploy, or making the transition to civilian life after service, military families face many challenges that generate stress, anxiety, and uncertainty. Factor in the various personal and financial challenges likely to confront any family, and it becomes easy to understand why support for military families is important.

Key Military Quality of Life Considerations

Increasingly, today's military is a military of families. According to the Department of Defense (DoD), about half of active-duty personnel are married by their fifth year of service, and three-fourths are married by their tenth year of service. There are currently 1.4 million children of active-duty parents, including more than 800,000 school-age dependents.¹ The DoD recognizes that in order to successfully recruit and retain high quality personnel in today's employment environment, the military services must address a range of quality of life concerns that impact military families, including compensation, health care, housing, military dependant education, and spouse employment. The following discussion examines three of these issues (spouse employment, military dependant education, and housing) in greater detail and summarizes recent federal initiatives to address these concerns.

Military Spouse Employment – A military spouse's ability to gain job skills and maintain a career contributes to the financial well-being of the family, spouse satisfaction with military life, and military retention and readiness. According to the DoD, more than 70 percent of military spouses are in the labor force, including 87 percent of junior enlisted spouses. Unfortunately, the unemployment rate for military spouses is approximately 24 percent, four times higher than the civilian unemployment rate, and military spouse earnings are significantly lower than comparably educated civilian spouses.² A number of factors contribute to the high unemployment rate for military spouses, including: the lack of appropriate job placement assistance; bias among employers; and the geographical impact of military installations on employment opportunities. An additional concern is the fact that in most states, including

¹ Department of Defense, *A New Social Compact: A Reciprocal Partnership Between the Department of Defense, Service Members and Families* (July 2002).

² James Hosek, Rand Corporation, *Married to the Military – The Employment and Earnings of Military Wives Compared to Those of Civilian Wives* (2002).

Florida, military spouses are not eligible to collect unemployment compensation when the family is forced to relocate as a result of the servicemember's change of duty location.

As the percentage of military spouses working has increased, the Federal Government has taken steps to improve employment opportunities for spouses. For example, Title 10, Section 1784 of the U.S. Code authorizes the Secretary of Defense to provide employment opportunities for military spouses in the same geographic area as their spouses' permanent duty station. Under this provision, qualified spouses receive a preference in hiring for civilian positions within the DoD. Since 2001, the Navy has partnered with Adecco, the world's largest staffing agency, to provide expanded employment opportunities for spouses. Finally, in 2003, the DoD and Department of Labor signed a memorandum of understanding to share information on job training and employment programs supporting military spouses.

Military Students/Education – Military service often presents a number of challenges for school-age children of military personnel. The average military child relocates every 2.9 years, three times more often than their civilian counterparts. From kindergarten to graduation, the average military child attends six to nine different schools, including two to three high school transitions.³ In addition to the social and emotional challenges associated with new cities, schools, and classmates, transitioning military students often face a variety of academic and administrative hurdles. For example, graduation requirements vary considerably depending on the type of diploma, state mandates, local mandates, and special program considerations. The use of exit level testing for promotion/graduation has also created difficulties for some transitioning military children.

A variety of military, governmental, and private-sector groups have developed strategies to address the unique educational needs of military students. For example, the Military Child Education Coalition has developed a Memorandum of Agreement (MOA) that invites school districts serving military students to commit to a set of guiding principles designed to increase predictability for mobile students. Included among the guiding principles addressed in the MOA are the following goals: improve the timely transfer of records; develop systems to ease student transition during the first two weeks of enrollment; promote practices which foster access to extracurricular programs; and improve access to information concerning graduation requirements.

Housing – An important element in attracting and retaining military personnel is the availability of affordable housing near military installations. Unfortunately, two critical problems have confronted military planners. First, the overall condition of existing military housing is relatively poor. The DoD owns approximately 273,000 family housing units, both on and off base. The DoD recently estimated that 60 percent of these units need to be replaced or extensively renovated. Second, the majority of military personnel living in private-sector housing are enlisted personnel whose salaries are at the lower end of the military pay scale. These individuals often have difficulty finding quality, affordable family housing within reasonable commuting distance of bases.

³ Military Child Education Coalition, available at <http://www.militarychild.org>.

The DoD has developed a number of strategies to address these housing problems. In 1996, Congress authorized the Department to implement a housing privatization initiative that enabled DoD to leverage its resources with private-sector capital and expertise. Under this authority the DoD is empowered to enter into loan and rental guarantees, convey or lease existing property and facilities, provide differential lease payments, invest in qualifying housing developments, and issue direct loans. In addition, the DoD has substantially increased (\$3 billion in 2002) the Basic Allowance for Housing and plans to reduce most servicemember's out-of-pocket costs for off base housing to zero by 2005.⁴

Florida's Military-Related Laws and Programs

The United States military maintains a significant presence in Florida. The state currently hosts 21 active military installations and three joint commands. These facilities are distributed throughout 13 Florida counties. Almost 80,000 active-duty military personnel are stationed in Florida. Approximately 42,000 military spouses and 35,000 school-age dependents are associated with these active-duty personnel. With an overall annual economic impact of approximately \$44 billion, military and defense-related spending represents the third largest sector of Florida's economy, following tourism (\$51 billion) and agriculture (\$50 billion).

In recognition of the unique demands that military service often entails, and the importance of the military to Florida's communities and economy, the state has established numerous laws and programs to assist military families. For example, the 2003 Legislature significantly strengthened legal protections afforded military personnel through passage of SB 1098 ("Florida Uniformed Servicemembers Protection Act"). Florida is also regarded as a national leader in the development of partnerships between the state, local communities, and military bases. Through efforts such as the semiannual base commanders meetings and the Florida Defense Alliance, Florida has demonstrated its willingness to address the needs of military installations and their surrounding communities. The following discussion briefly summarizes some of the actions Florida has taken to address key military-related quality of life concerns.

Military Spouse Employment – The Agency for Workforce Innovation (AWI) is the primary state entity responsible for the delivery of employment services. Through AWI's network of One-Stop Career Centers military spouses can access a variety of employment services, including: job search and placement assistance; career planning and counseling; assistance with interviewing skills and resume preparation; and other career support services. In addition, most of the state's regional workforce boards with a military installation within its region attempt to coordinate the delivery of employment services with the appropriate base commander and Family Support Center Manager. The state's regional workforce boards also participate in Transition Assistance Participation workshops, which provide employability skills training and other career services to separating and retiring military personnel and their spouses.

While spouses of relocating military personnel are eligible for certain services as dislocated workers under Florida's Workforce Investment Act, they are not currently eligible for unemployment insurance. Section 443.101, F.S., provides that an individual is generally disqualified for benefits when he or she voluntarily terminates their employment. Florida, like

⁴ Department of Defense, *Annual Defense Report* (2002).

most states, does not extend unemployment insurance benefits upon the loss of employment due to the job-related transfer of a spouse.

Military Students/Education – Florida has established a number of programs to address the educational needs of military personnel and their families. At the state level, most of these efforts are directed at post-secondary education. For example, s. 1009.21, F.S., classifies active duty military personnel stationed in Florida as residents of the state for tuition purposes. Spouses and dependent children of active duty military personnel also qualify under this provision for in-state tuition. The Department of Education (DOE) also offers scholarships for children of deceased or disabled veterans. State law and DOE rules/policies also provide for tuition refunds and other financial and academic safeguards for students called to military service.

At the local level, many of Florida's school districts have taken steps to address the challenges that confront Florida's 35,000 military-connected students. Three Florida school districts are currently participating in the Military Child Education Coalition's Memorandum of Agreement that increases predictability for mobile students. Several Florida school districts that serve large military student populations are currently considering participation in this program. In addition, a number of school districts have established innovative partnerships with local military installations. For example, the MacDill Aeronautical Academy, a cooperative venture between the Hillsborough County School District and MacDill Air Force Base, serves high school students intending to pursue a career in aviation or the military.

Housing – Although Florida has not established any housing programs specifically targeting military families, it has enacted a number of provisions protecting the housing rights of military personnel. For example, s. 83.67, F.S., prohibits a landlord from discriminating against any member of the United States Armed Forces in offering a dwelling unit for rent. Similarly, s. 83.682, F.S., provides conditions under which military personnel may terminate a rental agreement without being liable for liquidated damages. Section 689.27, F.S., establishes certain requirements and procedures governing the termination of an agreement to purchase real property by a servicemember.

Florida law also extends certain benefits relating to homestead exemption to military personnel. For example, s. 196.061, F.S., exempts qualifying military personnel from a statutory provision declaring that rental of a dwelling previously claimed as a homestead constitutes abandonment of such a claim. Similarly, s. 196.071, F.S., provides that if military personnel are unable to file a claim for homestead exemption in person due to military service, they may authorize another individual to file a claim in their absence.

Other State Benefits – Florida also provides a number of benefits to military personnel that ease some of the hardships associated with a highly mobile military career. For example, active duty personnel enjoy various benefits relating to driver licenses, hunting licenses, fishing licenses, and motor vehicle registration. State law also extends certain professional licensing benefits to military personnel and their spouses. Section 455.02, F.S., provides that military members who are in good standing with state professional boards at the time of activation are exempt from registration, testing, and fee requirements while on active duty and for a period of up to six months after discharge from active duty. This same section of law provides that military spouses

are exempt from licensure renewal requirements while absent from the state because of their spouses' military duties.

Implications of Quality of Life Issues for BRAC

Improving the quality of life for Florida's military families has implications beyond military recruiting, retention, and readiness. As previously noted, the DoD is currently initiating the 2005 Base Realignment and Closure (BRAC). During the four previous BRAC rounds the Pentagon selected 97 major domestic bases for closure, 55 major bases for realignment, and 235 minor installations either to be closed or realigned. Florida lost four major installations during the previous BRAC rounds.⁵ Through the 2005 BRAC effort, the DoD intends to eliminate 25 percent of the nation's installation capacity. Analysts have estimated that this will translate into the closure of approximately 45 bases. The DoD maintains that unnecessary installations should be closed in order to release funds for military transformation and homeland security initiatives.

The DoD is currently finalizing criteria that will be utilized in the base closure deliberations. Chief among the 2005 BRAC criteria will be "military value". This term encompasses a range of considerations including the following: preservation of training areas suitable for ground/naval/air maneuvers; preservation of staging areas needed in homeland defense; and impacts on joint warfighting, training, and readiness. DOD officials have indicated that quality of life considerations will probably be a secondary consideration. How military friendly a community is with regards to issues such as spouse employment and the quality of schools for military children will be evaluated. States and local communities that demonstrate to the military services and the BRAC Commission that they are proactively addressing military quality of life concerns will likely enjoy a competitive advantage relative to other jurisdictions.

III. Effect of Proposed Changes:

Florida has enacted a number of programs and policies to support military personnel and their families. These efforts have earned Florida a reputation as a "military friendly" state. The Committee Substitute strengthens Florida's existing programs by addressing three critical areas of concern to military families. First, the Committee Substitute improves employment assistance for military spouses by tailoring job services to meet the unique needs of military spouses and streamlining certain professional licensing requirements. Second, the Committee Substitute enhances educational services for military dependents by enacting a number of provisions that support military students transitioning to Florida schools. In addition, the Committee Substitute revises eligibility requirements for certain military-dependent scholarships. Finally, the Committee Substitute acknowledges the need for Florida to address military family housing by directing the Florida Housing Finance Corporation to undertake an assessment of the housing needs of Florida's military families.

Section 1 amends s. 295.01, F.S., to clarify eligibility requirements for military-dependent scholarships. This section currently provides scholarships for dependent children of veterans who

⁵ Florida lost the following major installations during previous BRAC rounds: Naval Aviation Depot Pensacola; Naval Aviation Station Cecil Field (Jacksonville); Naval Training Center Orlando; and Homestead Air Force Base.

died from injuries sustained during “wartime service”. In comparison, this same section provides scholarships for dependent children of veterans who have a service-connected 100 percent total and permanent disability rating, *regardless* of whether the injury was sustained during a period of wartime service.

The Committee Substitute eliminates the “wartime service” requirement and provides scholarships for the dependents of military personnel who have died as a result of service connected injuries, disease, or disability sustained while on active-duty. This revised language eliminates the existing disparity in the treatment of certain dependents and parallels requirements for military dependent educational benefits established by the U.S. Department of Veterans’ Affairs.

Section 2 amends s. 445.007, F.S., to provide for the appointment of a military representative to those local workforce development boards serving military installations. This representative would be responsible for directly communicating the employment concerns of military spouses and dependents to Florida’s local workforce agencies. AWI estimates this provision would impact eight of the state’s 24 regional workforce boards.

While military spouses are represented across nearly all occupational categories, a significant number of spouses are employed in the health care professions. Military representatives have requested that Florida explore opportunities to streamline licensing requirements governing nursing. For example, through participation in the Nursing Licensure Compact, a multi-state mutual licensing agreement established by the National Council of State Boards of Nursing, the state could reduce the cost and effort required to obtain licensure in Florida. Florida’s Board of Nursing is considering participation in the Compact. However, it is unlikely the Board will recommend statutory changes necessary to ensure Florida’s participation in the Compact during the current legislative session.

Section 3 amends s. 464.009, F.S., to expedite the existing licensure by endorsement process for certain relocating military spouses who are nurses. Currently, s. 646.009, F.S., requires applicants for licensure by endorsement to demonstrate that the qualifications they met at the time of original licensure in another state were substantially similar to or more stringent than those existing in Florida at that time. The Committee Substitute amends this section to provide that nurses who are relocating to Florida pursuant to their military-connected spouse’s official orders and who are licensed to practice in a state that is a member of the Nurse Licensure Compact are deemed to have satisfied the requirement to document conditions at the time of original licensure. Eligible applicants would still be required to submit the appropriate application and fees, and undergo a criminal background check.

Section 4 amends s. 464.022, F.S., to extend from 60 to 120 days the period during which a nurse relocating to Florida pursuant to his or her spouse’s military orders can perform nursing services while the Board of Nursing is processing the licensure application.

Section 5 amends s. 1002.39, F.S., which establishes eligibility criteria for the McKay Scholarships for Students with Disabilities Program, to waive the requirement that the student must have spent the prior year in attendance at a Florida public school for otherwise qualifying military students who relocate to Florida pursuant to their parent’s military orders. This

provision addresses a concern voiced by a number of Florida's military families, who maintain that the existing prior year attendance requirement for the McKay Scholarships Program effectively denies highly-mobile military dependents who would otherwise be eligible for this program the opportunity to utilize these scholarships. Under the Committee Substitute, transferring military students would still be required to submit an individual educational plan and evaluation data necessary to establish program eligibility and to meet other eligibility criteria.

The Committee Substitute requires the Department of Education to adopt rules that school districts must use to expedite the development of a matrix of services for qualifying military dependents and defines the term "transferring student with a disability."

Section 6 amends s. 1003.05, F.S., to direct the Department of Education to facilitate the development and implementation of memoranda of agreement between school districts and military installations that address the transition-related challenges confronting military students.

Section 7 creates s. 1008.221, F.S., to exempt military dependents transitioning to Florida schools during the 12th grade of high school from the requirement to pass the grade 10 FCAT, provided the military dependent has satisfactorily attained a passing grade on an approved alternative assessment examination. For purposes of this section, approved alternative assessments are the SAT and ACT.

As previously noted, highly-mobile military students generally attend two to three different high schools prior to graduation. In addition to assessments taken for post-secondary education (primarily the SAT and ACT), military students are increasingly required to pass exit-level tests in individual states. Military family advocacy organizations, such as the Military Child Education Coalition, have urged states to examine opportunities for enhanced reciprocity with regard to high-stakes testing. The Committee Substitute addresses this concern by limiting the grade 10 FCAT exemption to military students relocating to Florida during their senior year of high school (when students would generally only have one or two opportunities to take the FCAT prior to graduation), and using assessments that have been determined by DOE to be comparable to the FCAT in terms of the skills assessed.

Section 8 amends s. 1009.21, F.S., to provide in-state tuition for foreign liaison officers and their dependents assigned to U.S. military commands. Florida currently extends in-state tuition to active-duty military personnel and their spouses and dependent children. Similarly, s. 1009.21, F.S., extends in-state tuition to Canadian military personnel and their families stationed in Florida under the North American Air Defense Agreement. The military has requested that Florida grant the same benefit to the limited number of foreign liaison officers and their families who are assigned to U.S. military commands located in Florida. Currently, there are approximately 20 foreign liaison officers assigned to Florida-based commands. Military representatives indicated these officers are typically assigned to Florida for periods ranging from three months to two years and provide support that is critical to the success of counter-drug, counter-terrorism, and homeland security operations.

Section 9 directs Workforce Florida, Inc., to develop and implement (through selected One-Stop Career Centers) an employment assistance/advocacy program targeted to support and assist military spouses. This program, which is subject to a separate appropriation, would assist

employment seeking military family members through job counseling, job search and placement services, and the dissemination of information on educational and training programs. Military family employment advocates would also be responsible for the coordination of employment services through one-stop centers, military family support centers, and local veterans' organizations.

Section 10 directs the Florida Housing Finance Corporation to conduct an assessment of the housing needs of Florida's military families and report its findings to the Governor and Legislature by December of 2004. This needs assessment, which will focus on low and moderate income military families, will examine the availability of affordable homeowner and rental housing in proximity to Florida's military installations.

Section 11 provides an effective date for the Committee Substitute of upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Although changes enacted to the educational assistance program for the children of deceased or disabled veterans (s. 295.01, F.S.) could increase the number of individuals eligible to receive funding, the likely fiscal impact of this provision is minimal. According to DOE, this program distributed approximately \$300,000 in financial assistance to 151 students during 2003.

The provision in the Committee Substitute waiving the McKay Scholarship requirement that the student must have spent the prior year in attendance at a Florida public school for certain relocating military dependents will almost certainly increase the number of

scholarship applicants. However, the number of additional applicants, and the resulting fiscal impact, is presently indeterminate.

The Committee Substitute's extension of in-state college and university tuition to certain foreign liaison officers and their dependents will result in minimal fiscal impact to the state. Military officials indicated that there are currently approximately 20 foreign liaison officers assigned to Florida-based commands.

The military spouse employment assistance/advocacy program established in the Committee Substitute relies partly on existing One-Stop Career Centers for office space. However, AWI reported that additional funding would be necessary to staff this program. Based on the assumption that the program would be implemented on a statewide basis with one staff person assigned to each of the eight workforce regions serving military installations, AWI estimated that the program would require \$550,000 in additional funding. However, it is likely that the intent of the Committee Substitute could be addressed through a reduced number of positions strategically located to serve the employment needs of Florida's military spouses.

The Florida Housing Finance Corporation has estimated that the cost for a military housing needs study may be as much as \$100,000. The Corporation will require authorization in the 2004-2005 General Appropriations Act to expend trust fund revenue to pay for the study. Such authorization would enable the Corporation to conduct the assessment of the housing needs of Florida's military families without requiring a General Revenue appropriation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.